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**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

Bankruptcy Case No. 19-30088 (DM)

PG&E CORPORATION,

Chapter 11

- and -

(Lead Case) (Jointly Administered)

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

**DECLARATION OF STEPHEN KAROTKIN IN
SUPPORT OF DEBTORS' MOTION PURSUANT TO
11 U.S.C. §§ 105(a) AND 107(b) AND FED. R. BANKR.
P. 9018 FOR ENTRY OF AN ORDER
AUTHORIZING THE SEALING OF THE
NOTEHOLDER RSA LETTER AGREEMENT**

- ☐ Affects PG&E Corporation
☐ Affects Pacific Gas and Electric
Company
☒ Affects both Debtors

[No Hearing Requested]

** All papers shall be filed in the Lead
Case, No. 19-30088 (DM).*

1 I, Stephen Karotkin, pursuant to 11 U.S.C. § 1746, hereby declare under penalty of perjury that
2 the following is true and correct to the best of my knowledge, information, and belief:

3 1. I am a member of the firm Weil, Gotshal & Manges LLP, which serves as legal advisors
4 to PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned
6 chapter 11 cases (the “**Chapter 11 Cases**”). I am authorized to submit this Declaration on behalf of the
7 Debtors. The facts set forth in this Declaration are based upon my personal knowledge, my review of
8 relevant documents, and information provided to me by the Debtors’ other employees or the Debtors’
9 legal, restructuring, and financial advisors. If called upon to testify, I would testify to the facts set forth
10 in this Declaration.

11 2. This Declaration is submitted in support of the *Debtors’ Motion Pursuant to 11 U.S.C.*
12 *§§ 105(a) and 107(b) and Fed. R. Bankr. P. 9018 for Entry of an Order Authorizing the Sealing of the*
13 *Noteholder RSA Letter Agreement* (the “**Sealing Motion**”), filed concurrently herewith, which seeks
14 entry of an order (i) authorizing the Debtors to file under seal that certain Noteholder RSA Letter
15 Agreement (as defined below) entered into by and among the Debtors, the Specified Consenting
16 Noteholders, and the Shareholder Proponents in connection with such parties’ entry into and execution
17 of the Noteholder RSA (as defined below) and the relief sought in connection with the *Debtors’ Motion*
18 *Pursuant to 11 U.S.C. §§ 363(b) and 105(a) and Fed. R. Bankr. P. 6004 and 9019 for Entry of an Order*
19 *(I) Approving and Authorizing the Debtors to Enter into Restructuring Support Agreement with*
20 *Consenting Noteholders and Shareholder Proponents, and (II) Granting Related Relief*
21 (the “**Noteholder RSA Motion**¹”), filed contemporaneously herewith, and (ii) directing that the
22 Noteholder RSA Letter Agreement remain under seal and confidential and not be made available to
23 anyone except as set forth in the Sealing Motion.

24 3. On January 27, 2020, the Debtors filed the Noteholder RSA Motion seeking, inter alia,
25 approval of that certain Restructuring Support Agreement, dated January 22, 2020 (together with the
26 Term Sheet attached thereto as Exhibit A, and as may be amended, modified, or supplemented from time
27

28 ¹ Capitalized terms used but not herein defined have the meanings ascribed to such terms in the
Noteholder RSA Letter Agreement or the Noteholder RSA Motion, as applicable.

1 to time, the “**Noteholder RSA**”), among the Debtors, the Consenting Noteholders, and the Shareholder
2 Proponents (each as defined in the Noteholder RSA).

3 4. In connection with the parties’ entry into and execution of the Noteholder RSA, the
4 Debtors, the Shareholder Proponents, and certain of the Consenting Noteholders (the “**Specified**
5 **Consenting Noteholders**”) simultaneously entered into a letter agreement (the “**Noteholder RSA**
6 **Letter Agreement**”) that sets forth certain sensitive and confidential terms with respect to the parties’
7 commitments regarding public and private communications about the Amended Plan, the Alternative
8 Plan, and the Debtors’ reorganization.

9 5. A breach of any of the agreements set forth in the Noteholder RSA Letter Agreement
10 constitutes a material breach of the Noteholder RSA. The terms of the Noteholder RSA Letter
11 Agreement are non-economic and do not impact or concern distributions to the Consenting Noteholders,
12 the Specified Consenting Noteholders, or any other creditors or interest holders under the Debtors’
13 Amended Plan, and do not impact any other substantive provision of the Debtors’ Amended Plan. It is
14 my understanding that these commitments and undertakings are highly sensitive to the Specified
15 Consenting Noteholders and, therefore, the parties to the Noteholder RSA have agreed to keep the terms
16 of the Noteholder RSA Letter Agreement strictly confidential and to seek to file the Noteholder RSA
17 Letter Agreement under seal. As set forth in the Sealing Motion, the Debtors will provide copies of the
18 Noteholder RSA Letter Agreement, on a “Confidential” and “Professional Eyes Only” basis, to (i) the
19 Court, (ii) the U.S. Trustee, and (iii) the professionals for the Committees.

20 6. The agreement to maintain the confidentiality of the Noteholder RSA Letter Agreement
21 is material to the global settlement embodied in the Noteholder RSA. I further believe that the
22 commitment of the parties to seek authorization from the Court to keep the terms of the Noteholder RSA
23 Letter Agreement confidential and under seal was important to the Specified Consenting Noteholders
24 and enabled the parties to reach agreement on the Noteholder RSA that resolves the treatment of the
25 Utility Senior Notes and Utility Funded Debt Claims as well as the significant litigation in these Chapter
26 11 Cases and the competing chapter 11 plan process.

1 7. Accordingly, the Debtors respectfully request this Court to issue an order allowing the
2 Debtors to file the Noteholder RSA Letter Agreement under seal.

3 Pursuant to 28 U.S.C. § 1746, I declare under the penalty of perjury, that the foregoing is
4 true and correct.

5 Dated: January 27, 2020

6 Respectfully submitted,

7 By: /s/ Stephen Karotkin
8 Stephen Karotkin